



# PUBLIC NOTICE

FEDERAL COMMUNICATIONS COMMISSION

1919 M STREET, N.W.

WASHINGTON, D.C. 20554

News media information 202/418-0500 Fax-On-Demand 202/418-2830 Internet: <http://www.fcc.gov> <ftp.fcc.gov>

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August 1, 1998

## FY 1998 Common Carrier Regulatory Fees

**The Federal Communications Commission issues this Public Notice in order to provide information concerning the payment of regulatory fees in FY 1998. If you hold authorizations in any of the common carrier services, excluding international facilities (space stations, earth stations, bearer circuits, and international public fixed) and commercial wireless facilities (cellular and public mobile), you should carefully review this Public Notice. Separate Public Notices for international licensees and commercial wireless licensees are available.**

### WHO MUST PAY REGULATORY FEES IN FY 1998

Most licensees and other entities regulated by the Commission must pay regulatory fees in FY 1998. This Public Notice concerns only the following Common Carrier regulatees: interexchange carriers (long distance companies), local exchange carriers (local telephone operating companies), competitive access providers (companies other than the traditional local telephone companies that provide interstate access services to long distance carriers and other companies), operator service providers (carriers that enable customers to make away from home calls and to place calls with alternative billing arrangements), pay telephone operators (owners of pay telephones), resellers (companies that obtain lines from facilities-based carriers and sell service to others, but does not include mobile resellers governed by the commercial wireless radio services), and other interstate providers (e.g., calling card providers). Governments and nonprofit entities (exempt under Section 501 of the Internal Revenue Code) are not required to pay regulatory fees and should not submit payment. *The Commission requires that each exempt entity submit, or have on file with the Commission, a current IRS Determination Letter documenting its nonprofit status, a certification of governmental authority, or certification from a governmental authority attesting to its exempt status.* A regulatee will be relieved of its fee payment requirement if its total fee due, including all categories of fees for which payment is due by the entity, amounts to less than \$10.

## WHY THE COMMISSION MUST COLLECT REGULATORY FEES

The requirement to collect annual regulatory fees from common carriers is contained in Public Law 103-66, "The Omnibus Budget Reconciliation Act of 1993." These regulatory fees, which are likely to change each fiscal year, are used to offset costs associated with the Commission's enforcement, public service, international and policy and rulemaking activities. These fees are in addition to any application processing fees associated with obtaining a license or other authorization from the Commission.

## WHEN FEES WILL BE DUE

**Fee payments must be received by the Commission during the period beginning September 14, 1998, and ending September 18, 1998, in order to avoid a 25% late payment penalty.**

TYPE OF FEE	REGULATORY FEE PAYMENT	FEE CODE
Interstate Telephone Service Providers (Interexchange Carriers, Local Exchange Carriers, Competitive Access Providers, Operator Service Providers, Resellers, and Other Interstate Providers)	\$0.0011 per revenue dollar	COD8

## FCC FORM 159

Regulatory fee payments must be accompanied by FCC FORM 159 ("FCC Remittance Advice"). This form has been revised and you must use the version dated July 1997. A copy of this form, with specific instructions, is attached to this Public Notice and may be used to submit fees. Reproduced forms are acceptable. Please see "Special Instructions for Completing FCC FORMs 159 and 159-C" for detailed information on how to correctly complete these forms. Unless you are submitting your information on diskette, you must list each Call Sign separately on Forms 159/159-C. Written attachments are not acceptable. Failure to properly complete FCC Forms 159/159-C will delay the processing of your regulatory fee payment.

Over the past years, payers have been allowed the option to pay for more than 50 call signs by submitting the Form 159 information on diskette. That option is still available. Information on how to file electronically on diskette will be made available on a subsequent public notice.

## WHERE TO SEND REGULATORY FEE PAYMENTS

If sending your regulatory fee payment by mail, please address your envelope as follows:

**Federal Communications Commission  
Regulatory Fees  
P.O. Box 358835**

**Pittsburgh, PA 15251-5835**

If you prefer to send your regulatory fee payment by courier to our lockbox bank, you may do so 24 hours per business day (except Federal or bank holidays). Please address your envelope and deliver it to the following address:

**Federal Communications Commission  
c/o Mellon Bank  
Three Mellon Bank Center  
525 William Penn Way  
27th Floor, Room 153-2713  
Pittsburgh, PA 15259-0001  
(Attention: FCC Module Supervisor)**

### **METHOD OF PAYMENT**

Regulatory fee payments may be made by check, money order, or by credit card (Visa or Mastercard only). When paying by credit card, please make sure you complete and sign block 28 of FCC FORM 159. Payments may also be made by wire transfer or ACH Debit. Instructions are provided below.

NOTE: We encourage arrangements to consolidate regulatory fee payments either by a single entity or by different entities into a single payment instrument. Consolidated fee payments may cover any number of service categories. Multiple fee payments may be made utilizing any of the methods of payment mentioned above. Payers who will be making a single payment for a significant number of entities and wish to submit their payment information on diskette in lieu of submitting a large number of FCC FORMs 159-C ("Advice Continuation Sheets") may do so. Specific instructions regarding diskette submission will be issued separately. No more than twenty-five (25) Form 159-C's should be manually submitted for payment. If more than twenty-five (25) Form 159-C's are to be submitted, we encourage the public to file the information on diskette.

In its FY 1996 Report and Order, the Commission amended its rule regarding the TRS Fund administrator to permit National Exchange Carrier Association (NECA) to process regulatory fees on behalf of its pooling exchange carriers and to submit their consolidated fees to our lockbox bank in a single payment instrument. However, we remind entities subject to the payment of a regulatory fee that the regulatee, not an agent such as NECA, is responsible for ensuring that the payment is made and that it is subject to penalty for failure to submit the entire fee due in a timely manner.

### **WIRE TRANSFER PAYMENT INSTRUCTIONS**

A wire transfer is a transaction that you initiate via your bank. It authorizes your bank to wire funds from your account to our lockbox bank, the Mellon Bank in Pittsburgh, PA. All payments made by wire transfer must be supported by a completed FCC Remittance Advice (FCC FORM 159) and Advice Continuation Sheet (FCC FORM 159-C), if required. The FCC FORM 159 must be faxed to Mellon Bank at (412) 236-5702 at least one hour before the wire transfer on the same business day. Indicate on the top of the FCC FORM 159 "Wire Transfer - Regulatory Fee Payment." In Box (1) - Lockbox#, located at the upper left hand corner, indicate "358835." **Failure to submit the**

**completed FCC FORM 159 will result in a delay in crediting your account. Due to Federal Reserve regulations, wire transfers received after 6:00 p.m. (EDT) will be credited the next business day.**

The following information should be provided to your bank to complete the wire transfer:

ABA Routing Number 043000261

Receiving Bank: Mellon Pittsburgh

BNF: FCC/ACV--9116106

OBI Field: (Skip one space between each information item)

"REGULATORYPAY"

PAYER TIN (Exactly as on FCC FORM 159, Block #25)

PAYER NAME (Exactly as on FCC FORM 159, Block #2)

Phone: (Daytime Phone #, exactly as on FCC FORM 159, Block #9)

LOCKBOX 358835

### **ACH DEBIT PAYMENT INSTRUCTIONS**

If you are interested in using Mellon's Customer Initiated Payment Program (CIP), a brief application form must be completed and a personal identification number (PIN) issued by the bank. Arrangements for using this process must be completed 14 days prior to submitting payment of the regulatory fee. After you have been set up for this program, you have until September 17, 1998 to submit payment to ensure processing by the deadline date of September 18, 1998. Please contact Regina Dorsey, Chief, Billings & Collections Branch, Financial Operations Division at (202) 418-1995 for further details.

### **COMPLIANCE**

Please make sure your total remittance and the amount indicated on the FCC FORM 159 are in agreement. Failure to do so will delay processing. Licensees are solely responsible for accurately accounting for all licenses and for paying proper regulatory fees. Any data omission, erroneous or incomplete data submission, or payment deficiency may result in a 25% monetary penalty, dismissal of pending actions, and/or revocation of any authorization. You are strongly urged to submit your payment on time and accurately in order to avoid a penalty. Additionally, the Commission will invoke any lawful authority it may possess under the Debt Collection Act to collect any fees due or outstanding against any common carrier failing to meet its regulatory fee payment obligations.

### **WAIVERS, REDUCTIONS AND DEFERMENTS OF REGULATORY FEES**

The Commission will consider requests for waivers, reductions or deferments of regulatory fees, in extraordinary and compelling circumstances only, upon a showing that such action overrides the public interest in reimbursing the Commission for its regulatory costs. Your regulatory fee must be paid by the due date even if a request is made for a waiver or reduction. This will ensure efficient collection in situations where a waiver or reduction is not warranted and will allow the requestor to avoid a 25% late-payment penalty if its request is denied. The regulatory fee will be refunded later if the request is granted. Only in exceptional or compelling instances (where payment of the regulatory fee along with the waiver or reduction request could result in the reduction of service to

a community or other financial hardship to the licensee), will the Commission accept a petition to defer payment along with a waiver or reduction request. All requests for deferments must be received before September 18, 1998, in order to avoid the 25% late-payment penalty. Please submit your written waiver or reduction request to the following address:

Office of the Managing Director  
Federal Communications Commission  
1919 M. Street, N.W., Room 450  
Washington, D.C. 20554  
attn: Regulatory Fee Waiver/Reduction Request

However, submit your regulatory fee payment to the address on page 2 of this Public Notice.

## **ADDITIONAL INFORMATION**

Applicable Public Notices, and FCC FORMs 159 and 159-C are available from the Commission's Office of Public Affairs, Public Service Division and can be downloaded from the Internet (<http://www.fcc.gov> or [ftp@fcc.gov](ftp://ftp.fcc.gov)). Text of the Report and Order including the entire Schedule of Regulatory Fees can also be downloaded from the Internet. Forms may also be obtained by contacting the Forms Hotline at (800) 418-3676 outside the Washington, D.C. area, or (202) 418-3676 locally. For additional information, please contact the Public Service Division at (202) 418-0192, or write to: Federal Communications Commission, Office of Public Affairs, ATTN: Public Service Division, 1919 M Street, N.W., Washington, D.C., 20554.

## **PAYMENT PROCEDURES FOR COMMON CARRIERS**

**WHO MUST PAY:** Interexchange carriers (long distance telephone companies), local exchange carriers (local telephone operating companies)<sup>1</sup>, competitive access providers (companies other than the traditional local telephone companies that provide interstate access services to long distance carriers and other companies), operator service providers (carriers that enable customers to make away from home calls and to place calls with alternative billing arrangements), pay telephone operators (owners of pay telephones), resellers (companies that obtain lines from facilities-based carriers and sell service to others), and other interstate service providers (e.g., calling card providers). Governments and nonprofit entities (exempt under Section 501 of the Internal Revenue Code) are not required to pay regulatory fees and should not submit payment. *The Commission requires that each exempt entity submit, or have on file with the Commission, a current IRS Determination Letter documenting its nonprofit status, a certification of governmental authority, or certification from a governmental authority attesting to its exempt status.*

## **SPECIAL INSTRUCTIONS FOR COMPLETING**

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<sup>1</sup> We will permit the holding company of local exchange carriers to aggregate fee payments due by its operating companies and submit a single payment to cover the fee requirements of its subsidiaries.

## **FCC FORMS 159 AND 159-C**

FCC FORM 159 ("FCC Remittance Advice") and, as necessary, FCC FORM 159-C ("Advice Continuation Sheet") must accompany all regulatory fee payments. FCC FORM 159 allows payers to report information on one or more payment items (e.g., revenues, call signs, or a combination of any two). Use FCC FORM 159-C to report additional payments.

FCC FORMs 159 and 159-C have been attached to this Public Notice for you to complete and remit with your payment. You may make additional copies of the forms as required. In addition to the instructions for FCC FORM 159, the following information applies specifically to common carrier regulatees:

### **Block (19) - "FCC CALL SIGN/OTHER ID":**

- ▶ Interstate telephone service providers should enter their TRS Fund identification number.

### **Block (20) - "PAYMENT TYPE CODES":**

**COD8:** Use this code when paying for an interstate telephone service provider regulatory fee (\$0.0011 per revenue dollar).

### **Block (21) - "QUANTITY":**

- ▶ First complete Blocks 23 ("FCC CODE 1") and 24 ("FCC CODE 2") on the FCC FORM 159 (see instructions below).
- ▶ Interstate telephone service providers subtract the amount in Block 24 ("FCC CODE 2") from the amount in Block 23 ("FCC CODE 1") and enter the TRS net interstate revenue. This should be the same as Line 5(b) of the Interstate Telephone Service Provider Worksheet provided below.

### **Block (22) - "FEE DUE":**

- ▶ For interstate telephone service provider regulatory fees (payment type code COD8), multiply the amount in Block 21 ("Quantity") by \$0.0011. This amount should be the same as Line 7(b) of the Interstate Telephone Service Provider Worksheet provided below.

### **Block (23) - "FCC CODE 1":**

- ▶ For interstate telephone service provider regulatory fees (payment type code COD8), enter the total interstate revenue as reported to the TRS Fund (line 15 of FCC Form 431, TRS Fund Worksheet). This amount should be the same as Line 1(b) of the Interstate Telephone Service Provider Worksheet provided below.

Block (24) - "FCC CODE 2":

- ▶ For interstate telephone service provider regulatory fees (payment type code COD8), enter the cost of interstate telecommunications services taken for resale (including the cost of access services). This amount should be the same as the amount in Line 4(b) of the Interstate Telephone Service Provider Worksheet provided below, and consists of the amounts paid for interstate access services plus the amount paid for other interstate telecommunications services taken for resale.

Block (25) - "PAYER TIN":

- ▶ Enter the fee payer's nine digit Taxpayer Identification Number.

Block (26) - "APPLICANT TIN":

- ▶ If different from payer, enter the applicant's nine digit Taxpayer Identification Number.

Block (27) - "CERTIFICATION":

- ▶ Provide the printed name and signature of an individual owner/licensee or officer attesting to the accuracy and completeness of the information supplied.

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**SUPPLEMENTARY INFORMATION****A. What is TRS?**

Telecommunications Relay Service (TRS) is a telephone transmission service that allows persons with hearing and/or speech impairments to use the telephone. TRS centers use special staff and equipment to relay messages between persons using text telephones and persons using traditional telephones. Under Title IV of the Americans with Disabilities Act of 1990 (ADA),<sup>2</sup> all common carriers providing voice communications services are required to provide TRS throughout the areas they serve. The rates charged for TRS calls must be no higher than those charged for functionally equivalent voice telephone calls of similar duration and distance.

**B. What is the TRS Fund?**

The TRS Fund is a shared funding mechanism for recovering the costs involved in providing interstate TRS service. All common carriers providing interstate telecommunications service (voice or non-voice) are required to contribute a portion of their gross interstate revenues to the TRS Fund. TRS providers receive payments from the Fund designed to compensate them for the reasonable costs incurred in providing interstate TRS. The TRS Fund is currently administered by the National Exchange Carrier Association (NECA).

**C. Which carriers must file TRS Fund Worksheets?**

All common carriers providing interstate telecommunications services within the United States must file the TRS Fund Worksheet (see also paragraph E. of this Attachment). For this purpose, the United States is defined as the conterminous United States, Alaska, Hawaii, American Samoa, Baker Island, Guam, Howland Island, Jarvis Island, Johnston Atoll, Kingman Reef, Midway Island, Navassa Island, the Northern Mariana Islands, Palmyra, Puerto Rico, the U.S. Virgin Islands, and Wake Island.

For the purpose of calculating TRS contributions, interstate telecommunications service includes, but is not limited to, the interstate portion of the following types of services: cellular telephone and paging, mobile radio, operator services, personal communications service (PCS), access (including Subscriber Line Charges), alternative access and special access, packet-switched, WATS, 800, 900, message telephone service (MTS), private line, telex, telegraph, video, satellite, international, intraLATA, and resale services. Note: All local exchange carriers provide interstate access services, and therefore must file.

Each legal entity that provides interstate telecommunications service must file a separate TRS Fund Worksheet. Entities may not file worksheets aggregating revenue for more than one carrier. Entities that have distinct articles of incorporation are separate legal entities. All affiliates or subsidiaries must identify the ultimate controlling parent or entity on their TRS Fund Worksheets.

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<sup>2</sup> Public Law No. 101-336, § 401, 104 Stat. 327, 366-69 (codified at 47 U.S.C. § 225).



D. Should all carriers which file TRS Fund Worksheets also pay the common carrier regulatory fee?

No. Satellite service providers, mobile service and paging carriers pay different regulatory fees and should not pay the common carrier fee. All other carriers that file TRS Fund Worksheets must pay the common carrier based fee.

E. Should a carrier file the regulatory fee if it has not filed a TRS Fund Worksheet?

Yes. If a common carrier provided interstate telecommunications services in 1997, then it should have filed a TRS Fund Worksheet and must also pay the common carrier based regulatory fee. Carriers should have filed their 1998 TRS Fund Worksheet each year on or before April 26, 1998. These worksheets used calendar year 1997 revenue data to calculate the TRS contribution for May 1, 1998 through April 30, 1999. Any carrier that did not file should contact the TRS Fund Administrator at (973) 884-8173 in order to obtain a filing package and to be assigned a 6 digit TRS Fund ID number. This number must be included on the regulatory fee filing. The mailing address of the TRS Fund Administrator is "NECA, FCC TRS Fund Administration, 100 South Jefferson Rd., Whippany, NJ 07981"

F. What type of revenues are reported on TRS Fund Worksheets?

The TRS Fund Worksheet requires carriers to report their revenue under ten categories. Four of the revenue categories are for local services: (1) local exchange service; (2) local private line service; (3) mobile radio, cellular, paging and PCS; and (4) other -- including other local exchange revenues.

Six of the categories are for long distance services: (1) intrastate access service; (2) interstate access service; (3) operator service and pay telephone; (4) non-operator switched toll service; (5) long distance private line service; and (6) all other long distance services. Carriers report total revenues and interstate revenues for each category. Carriers must include revenues from all of the different types of services listed in section C above.

Gross or total revenues include revenues from regulated, detariffed, and nonregulated telecommunications services. Gross revenues should not include non-telecommunications services, such as the lease of customer premises equipment. Gross revenues consist of total revenues billed to customers with no allowances for uncollectibles. Billed revenues may be distinct from booked revenues. For international services, gross revenues consist of gross revenues billed by U.S. carriers with no allowances for settlement payments. Gross revenues should also include any surcharges on communications services that are billed to the customer and either retained by the carrier or remitted to a non-government third party under contract. Gross revenues should exclude taxes and any surcharges that are not recorded as revenue, but which instead are remitted to government bodies.

G. What kind of costs can be deducted from revenues reported on TRS Fund Worksheets in order to calculate the common carrier regulatory fee?

Carriers are allowed to deduct interstate access expenses that they paid to local exchange carriers in 1997, and they are allowed to deduct the interstate portion of the costs of communications services taken for resale in 1997. Carriers can use the following Interstate Telephone Service Provider Worksheet to calculate their 1998 regulatory fee.

## INTERSTATE TELEPHONE SERVICE PROVIDER WORKSHEET

	1997 Data (show all amounts in whole dollars)	(a) Total Company	(b) Interstate Portion
1	Common carrier revenues from Line 15 of FCC Form 431, TRS Fund Worksheet		
2	Access expense paid to local exchange carriers		
3	Cost of telecommunications services taken for resale (not including access costs shown on Line 2)		
4	Sum of Lines 2(b) and 3(b)		
5	Net Interstate Revenues (Line 1(b) minus Line 4 (b))		
6	Common carrier fee factor		.0011
7	1998 Regulatory Fee (Line 5(b) times Line 6 (b))		

In the FCC FORMs 159 and 159-C, enter the amount in Line 1(b) in Block 23--"FCC CODE 1." Enter the amount in line 4(b) in Block 24--"FCC CODE 2." Enter the amount in Line 5(b) in Block 21--"QUANTITY." Enter the amount in Line 7(b) in Block 22--"FEE DUE."